

## Assembly Bill No. 1274

### CHAPTER 88

An act to amend Sections 12140 and 12142 of, and to add Section 12142.5 to, the Insurance Code, relating to motor clubs.

[Approved by Governor July 21, 2003. Filed with  
Secretary of State July 22, 2003.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1274, Chavez. Motor clubs.

Existing law generally regulates motor clubs, and prohibits a person from rendering motor club service without first obtaining from the Insurance Commissioner a certificate of authority. Existing law defines motor club service as the rendering or procuring of, or reimbursement for, any specified service in connection with the ownership, operation, use, or maintenance of a motor vehicle under certain conditions. Existing law exempts specified persons and entities from the operation of these provisions.

This bill would provide that a person who is engaged in selling or furnishing discount service, map service, or travel service, as defined, or miscellaneous service that is incidental to those services, but who is not engaged in selling or furnishing certain other services, is not a motor club and is exempt from the operation of the regulatory provisions described above. The bill would require the Insurance Commissioner to adopt regulations specifying the types of miscellaneous service permitted under its provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 12140 of the Insurance Code is amended to read:

12140. This part shall not apply to any of the following:

- (a) A duly authorized attorney at law acting in the usual course of his profession.
- (b) Any admitted insurer.
- (c) Any association of motor carriers.
- (d) Any person who is directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any of the services described in Section 12148, 12152, or 12153, or miscellaneous service that augments or is incidental to any of those services, but who is not directly or indirectly engaged, either as principal

or agent, in selling or offering for sale, furnishing, or procuring any other service described in this chapter.

SEC. 2. Section 12142 of the Insurance Code is amended to read:

12142. (a) Except as provided in subdivision (b), a motor club is a person, directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing or procuring motor club service.

(b) A person who is directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any of the services described in Section 12148, 12152, or 12153, or miscellaneous service that augments or is incidental to any of those services, but who is not directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any other service described in this chapter, is not a motor club.

SEC. 3. Section 12142.5 is added to the Insurance Code, to read:

12142.5. The commissioner shall adopt reasonable rules and regulations specifying the types of miscellaneous service permitted under subdivision (d) of Section 12140 and subdivision (b) of Section 12142. The rules and regulations shall be adopted, amended, and repealed in accordance with the procedure provided in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

